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SUBJECT: INDO-PAK DISCUSSIONS ON SAARC SIDELINES HINT AT
SOME PROGRESS

REF: NEW DELHI 1295

Classified By: PolCouns Ted Osius, Reason 1.5 (B,D)

¶1. (C) Summary: The recently concluded SAARC Summit (April 3-4) was notable for its lack of major tension over the perennially contentious issues between India and Pakistan. Indo-Pak experts on the sidelines of SAARC saw signals that a proposal may be just around the corner to try to resolve long-running disputes, but they also cautioned that time is of the highest essence. As Prime Minister Shaukat Aziz returned to Pakistan, he also left behind some positive indications with Kashmiri leaders with whom he met. While such optimism is helpful, details remain vague. Journalists in Delhi think Siachen Glacier and/or Sir Creek resolutions could be possible if Delhi and Islamabad muster the will to close out these problems. Adding a dose of reality after the SAARC meetings, the latest of eleven rounds of talks on Siachen went nowhere, as usual. At least the public vibes remain good. End Summary.

Kashmir Receives the Obligatory Public Mention at SAARC

¶2. (C) At the Fourteenth Summit of the South Asian Association for Regional Cooperation (SAARC) in New Delhi April 3-4, Pakistani Prime Minister Shaukat Aziz labeled the difference of opinion with India over Kashmir as "the core issue" in their bilateral relationship. As reported in the press, however, Aziz is not believed to have broached the topic in "any serious manner" during a 50-minute meeting with Prime Minister Singh. Media also noted that Singh, for his part, did not use the word "terrorism" in his closing speech to SAARC delegates on April. Instead, he advised, "We must also win the war against all forms of extremism and intolerance in our region." After the conclusion of the

summit, Indian External Affairs Minister Pranab Mukherjee said that he was "not very much perturbed" by Aziz's statement, and that it was "nothing new." This led some in the press to speculate that Aziz publicly mentioned Kashmir only to placate his domestic audience. In the evening of April 4, Aziz met with a delegation of Kashmiri separatist leaders, including Mirwaiz Umar Farooq, Shabir Shah, Bilal Ghani Lone, Fazal Haq Qureshi, Agha Syed Hassan Al-Moosvi, and perhaps others. Aziz reportedly told the Kashmiris that their fate is central to Pakistan-India relations, unity among Kashmiris is important, and demilitarization of Kashmir is only a step and not an end in and of itself. Bilal Lone also told us that Aziz hinted that the separatists should consider participating in Indian election if and when a deal is struck between the two capitals.

Indo-Pak Proposal Almost Ready for Unveiling?

¶3. (C) Assistant Secretary for South and Central Asian Affairs Richard Boucher met on April 4 with Indo-Pak scholar Dr. Radha Kumar, journalist and commentator Saeed Naqvi, and Hindustan Times editor Manoj Joshi to discuss the status of efforts toward the resolution of the Kashmir dispute and overall Indo-Pak relations. All agreed that public opinion in both countries was increasingly ready for a "settlement" on Kashmir, and that while several issues remained to be resolved, including the status of Pakistan's Northern Areas, none of these was "insurmountable." Kumar, Naqvi, and Joshi estimated that India and Pakistan could come to a solution within just a few years, mainly requiring the political will

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to see it completed. As a sign of how close the two sides were, Naqvi noted that last month he had attended a dinner for Foreign Minister Kasuri at the New Delhi Pakistani High Commission. Kasuri apparently spoke out of turn when he said at the dinner that discussions had progressed to the point that India and Pakistan were nearly ready to announce a proposal to both countries' publics. Naqvi explained that the bureaucrats in the room looked very uncomfortable as Kasuri spoke and afterward the comments were muted in the press.

¶4. (C) One issue that Joshi identified as still needing resolution was the difference between a proposed "joint consultative mechanism" for Jammu and Kashmir and a "joint management mechanism," the former being India's suggestion and the latter being Pakistan's characterization of India's suggestion. Joshi explained that India would not agree to joint management because it infers less than full sovereignty, while a joint consultative framework could be applied to issues of water, trade, tourism, and agriculture that would not amount to a loss of sovereignty. Assistant Secretary Boucher explained that joint management may not

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signify any loss of sovereignty, pointing to a joint U.S.-Canada water management body.

The Fly in the Ointment: Terrorism

¶5. (C) Boucher also met with former Indian Ambassador to the United States K. Shankar Bajpai on April 4 to discuss Indo-Pak relations. On the subject of cross-border terrorism, Boucher said that he has been disturbed by the Indian Government's tendency to assume that if a terrorist organization emerges in a country, then that country's government is automatically complicit in some way. Bajpai responded that the Indian Government is only now beginning to realize that some previously foreign-backed terrorist organizations have taken on an independent existence. With regard to Pakistan, Boucher advised that the government there must do its part by ceasing to differentiate between "good" and "bad" terrorists, particularly concerning Kashmir. Bajpai

added that some Pakistani government officials also maintain "warm relations" with Taliban figures as they are anticipating an American withdrawal from Afghanistan in the near future. Bajpai further lamented that in addition to terrorist threats originating in Pakistan--and now Bangladesh--India has home-grown terrorist elements to combat, too.

Concessions Likely in Siachen and Sir Creek Disputes?

¶6. (C) Even if Kashmir is not quite ready for settlement, Manoj Joshi predicted that the Siachen Glacier and Sir Creek border disputes, also components of the Composite Dialogue, could be resolved in a few months. This would happen because each side would make a concession on one issue and receive a concession on the other--Pakistan would concede on Siachen, India on Sir Creek. There was an approximate agreement where Pakistan said it would agree to a redeployment schedule. Joshi explained that since redeployment inferred movement from one place to another, a redeployment schedule implicitly recognizes the current locations of both Indian and Pakistani troops--something Pakistan had previously refused to acknowledge through formal troop demarcations. On Sir Creek, the recently completed joint survey shows that the river banks have moved into Indian territory, compelling India to

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accept a new border there that gives more land to Pakistan.

A Dose of Jarring Siachen Reality

¶7. (SBU) Despite official statements indicating that the eleventh round of Siachen Glacier talks (April 6-7) "were held in a candid and constructive atmosphere" and that the meetings would continue, some blunt words by the Pakistani side after the talks were widely reported in the Indian press. One Times of India headline read: "Indians are stubborn, arrogant: Pak officials." Other papers here said the Pakistanis balked at the customary Indian insistence on verification of actual ground positions. The article went on to say that unnamed Pakistani Defense Ministry officials had blamed "Indian stubbornness" for the failure and that India's growing relations with the U.S. were the source of its "arrogance." Reportedly Pakistani Defense Secretary Kamran Rasool left the talks to go "straight to his room," where his Indian counterpart found him and continued discussions. The lack of progress in these talks, coming right on the heels of the SAARC Summit, has no doubt disappointed Indo-Pak watchers, but they can derive hope from the fact that it appears that the talks will inexorably grind on, although no date has been fixed for the next meeting, according to the media.

Better Sooner than Later

¶8. (C) The three Indo-Pak observers also told Boucher that a resolution on Kashmir was better done sooner than later. Radha Kumar stated that the government of India should come to an agreement within six months, because she felt Musharraf was becoming "weaker and weaker." Saeed Naqvi observed that both countries' moderates gain from a settlement between India and Pakistan. By contrast, the lack of a settlement would bolster violence and radicalization in both countries. Manoj Joshi agreed, claiming that certain footprints of recent terrorist attacks in India did not lead to Pakistan, but were linked to domestic developments. If Kashmir was not solved soon, he predicted, Islamic radicalism could take root in India.

Geelani Visa Refusal Good for U.S. and Kashmir

¶9. (C) In a separate meeting with Deputy PolCouns, Radha Kumar expressed agreement with our recent decision to deny a visa--ostensibly for medical treatment in the U.S.--to Sayeed Ali Shah Geelani, a Kashmiri separatist leader with ties to terrorist group Hizbul Mujahideen (reftel). Kumar said the verdict made American opposition to violence crystal clear to all. In terms of the political scene in Kashmir, Kumar added that the decision has strengthened the hand of moderate Hurriyat separatist Mirwaiz Omar Farooq. She also thought that the situation could possibly give confidence to associates of Geelani who are too intimidated by him to talk and participate more in the peace process, such as Hizbul Mujahideen chief Syed Salahuddin or some members of the Jemaat al Islamiya.

Greater Roles for Kashmiris and U.S. in Indo-Pak Talks
Desired

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¶10. (C) Shahbir Ahmad Shah, President of the Jammu and Kashmir Democratic Freedom Party, spoke with Deputy PolCouns hours before he met with Shaukat Aziz on April 4. Shah grumbled that although there was talk of behind-the-scenes progress between India and Pakistan over Kashmir, there had been no change in the ground reality in Kashmir. He said that Kashmiris are confused because they are not involved in Indo-Pak discussions and it is not even clear who is representing their interests in general--certainly not Mufti Mohammed Sayeed of the People's Democratic Party or any other mainstream politician, in his opinion. Shah lamented the lack of direct participation by the U.S. in the Kashmir talks, saying that the U.S. can still wield considerable influence over both Pakistan and India. He did acknowledge, however, that the U.S. has a more multi-faceted and complicated relationship with India these days. Also on the subject of the U.S., Shah expressed his surprise at the decision to refuse Geelani's visa at this time. He said that although he is not in touch with Geelani and the two have significant differences, Shah thought that the visa would be granted on humanitarian grounds and not center on a question of ideologies or advocacy of violence and terror.

¶11. (C) K. Shankar Bajpai said that a soft-border deal between Pakistan and India would offer India a political "fig leaf," but continued, "I'm still far from convinced that the Pakistanis would go along with it." He added that he considers the U.S. a stakeholder in resolving the dispute over the Siachen Glacier. When Boucher asked what more the U.S. should do, he recommended that Secretary Rice engage Indian Minister of External Affairs Pranab Mukherjee, whom Bajpai called a "political animal, not an ideologue." He also endorsed the reactivation of a now-dormant Indo-U.S. Commission founded during the time of former Secretary of State Schultz. Bajpai recommended a revision of the commission's four subcommittees as a starting point.

A Hands-off American Policy Toward Kashmir is Better

¶12. (S) In stark contrast, Deputy PolCouns talked with All Parties Hurriyat Conference leader Bilal Ghani Lone the morning after Lone's April 4 meeting with Shaukat Aziz. Lone said that Aziz did not elaborate what has been accomplished through backchannel discussions, but did say with cautious optimism that talks are "moving at a positive pace." Aziz told Lone and others at the meeting that April, May, and June will be very crucial for discussions between India and Pakistan, with "a lot of papers exchanged." According to Lone, Aziz said that India and Pakistan would "go to the masses" in perhaps some kind of special election, but purposely left that point vague, giving the Hurriyat leader the sense that he, too, may be able to stand for election if a deal goes through.

¶13. (C) Despite the positive rhetoric, Lone said the lack of further headway on Kashmir was the reason why Aziz, and not President Pervez Musharraf, had represented Pakistan at the SAARC summit. When asked if the U.S. could do anything to support the peace process, Lone responded that the U.S. should let things work themselves out "in a natural way and without the U.S. pushing this guy or that guy." He envisioned a role for greater U.S. public diplomacy in Kashmir, particularly at the village-level. Lone did not see the visa refusal for "tension-creating" Geelani as having a great impact on perception of the U.S. in Kashmir; while "certain quarters" were displeased, by and large "the friends

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and enemies of the U.S. won't change in Kashmir," he said. The Geelani visa, he stressed, was a finished issue in Kashmir. Nobody cared, he emphasized. Lone labeled Washington-based Kashmiri American Council executive director Ghulam Nabi Fai, whose tentative March 28 conference Geelani was invited to attend, as a "dangerous man" and a jihadi who was not to be trusted, and whom Lone would avoid in an upcoming trip.

Comment: Optimism Only Sustainable with Progress

¶14. (C) Comment: There is a great deal of optimism about the progress and future fruits of the Delhi-Islamabad discussions, with a lot of speculation as to what is exactly transpiring behind closed doors. The fact that Kashmiris themselves are feeling left out of the proceedings is somewhat troubling, but then again Kashmir will never have a chance at peace until majority stakeholders India and Pakistan have buried their own hatchets. This level of optimism in India cannot be sustained indefinitely, however. If both sides make progress on Siachen or Sir Creek negotiations, it may signal the possibility of agreement on far more tricky Kashmir. While our most recent meetings with Kashmiri and Delhi contacts have yielded two drastically different recommendations for future U.S. action, we believe that our private, but firm, push for peace between Pakistan and India is the best course of action at present. Ultimately, this SAARC summit will be remembered for the almost complete absence of rancor between India and Pakistan, even if the substance was lacking. That itself is a momentous achievement. End comment.

¶15. (U) Assistant Secretary Boucher reviewed this message prior to its transmittal.
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